

Fixed-Income Investor Presentation

June 2023



INVESTOR INFORMATION

COMPANY INFORMATION

NW Natural
250 SW Taylor Street
Portland, OR 97204
nwnaturalholdings.com

Nikki Sparley
Director, Investor Relations and
Treasury
(503) 721-2530
nikki.sparley@nwnatural.com

FORWARD LOOKING STATEMENTS

This and other presentations made by NW Natural from time to time, may contain forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995, which are subject to the safe harbors created by such Act. Forward-looking statements can be identified by words such as “anticipates,” “intends,” “plans,” “seeks,” “believes,” “estimates,” “expects” and similar references to future periods. Examples of forward-looking statements include, but are not limited to, statements regarding the following: plans; objectives; estimates; timing; goals; strategies; future events; projections; expectations; acquisitions and timing; completion and integration thereof; storage, pipeline and other infrastructure investments; safety; system modernization and reliability; risk profile; commodity costs and sourcing; competitive advantage; marketing success; service territory; customer service; customer and business growth; customer satisfaction ratings; weather; customer rates and timing and magnitude of potential rate changes; price advantage; customer preference; conversion potential; business risk; efficiency of business operations; regulatory recovery; business development and new business initiatives; water and wastewater industry and investments including timing, completion and integration of such investments; environmental initiatives and remediation recoveries; gas storage markets and business opportunities; gas storage development, costs, timing or returns related thereto; dispositions and timing, completion and outcomes thereof; accretion, financial positions and performance; economic and housing market trends and performance; shareholder return and value; capital expenditures; technological innovations and investments; availability and sources of liquidity; strategic goals and visions; decarbonization and the role of natural gas and the gas delivery system, including competitive renewable natural gas strategy; use of renewables such as renewable natural gas and hydrogen; low carbon pathway and Vision 2050; carbon emissions and savings; renewable natural gas projects or investments and timing related thereto; procurement of renewable natural gas for customers; workforce trends; diversity, equity and inclusion initiatives; hedge efficacy; cash flows and adequacy thereof; return on equity; capital structure; return on invested capital; revenues and earnings and timing thereof; margins; net income; operations and maintenance expense; dividends; credit ratings and profile; debt and equity issuances; the regulatory environment; effects of regulatory disallowance; timing or effects of future regulatory proceedings or future regulatory approvals; regulatory prudence reviews or deferrals; timing, outcome and effects of regulatory dockets or mechanisms or approvals, including, but not limited to, OPUC approval of the Oregon general rate case comprehensive stipulation; effects of legislation and changes in laws and regulations, including but not limited to carbon, renewable natural gas and renewable hydrogen regulations; gas supply; supply chain; effects, extent, severity and duration of COVID-19 and resulting economic disruption; the impact of efforts to mitigate risks posed by its spread, the ability of our workforce, customers or suppliers to operate or conduct business, COVID-19 expenses and financial impact and cost recovery including through regulatory deferrals, impact on capital projects, governmental actions and timing thereof, including actions to reopen the economy; and other statements that are other than statements of historical facts.

Forward-looking statements are based on our current expectations and assumptions regarding our business, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. Our actual results may differ materially from those contemplated by the forward-looking statements, so we caution you against relying on any of these forward-looking statements. They are neither statements of historical fact nor guarantees or assurances of future performance. Important factors that could cause actual results to differ materially from those in the forward-looking statements are discussed by reference to the factors described in Part I, Item 1A “Risk Factors,” and Part II, Item 7 and Item 7A “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and “Quantitative and Qualitative Disclosure about Market Risk” in the Company’s most recent Annual Report on Form 10-K, and in Part I, Items 2 and 3 “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Quantitative and Qualitative Disclosures About Market Risk”, and Part II, Item 1A, “Risk Factors”, in the Company’s quarterly reports filed thereafter.

All forward-looking statements made in this presentation and all subsequent forward-looking statements, whether written or oral and whether made by or on behalf of the Company, are expressly qualified by these cautionary statements. Any forward-looking statement speaks only as of the date on which such statement is made, and we undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by law.

LEADERSHIP PRESENTING



FRANK BURKHARTSMEYER • EVP Strategy & Business Development and Chief Financial Officer

Mr. Burkhartsmeyer is currently NW Natural Holdings' and NW Natural's Executive Vice President Strategy & Business Development and remains CFO effective May 2023. Burkhartsmeyer has been with the company and CFO since May 2017. Previously, Mr. Burkhartsmeyer served as President and CEO of Avangrid Renewables and Senior Vice President of Finance at Iberdrola Renewables Holdings US and also held various positions at PPM Energy, ScottishPower and PacificCorp. Mr. Burkhartsmeyer has an MBA from the University of Oregon and a Bachelor of Arts in Liberal Arts from the University of Montana.



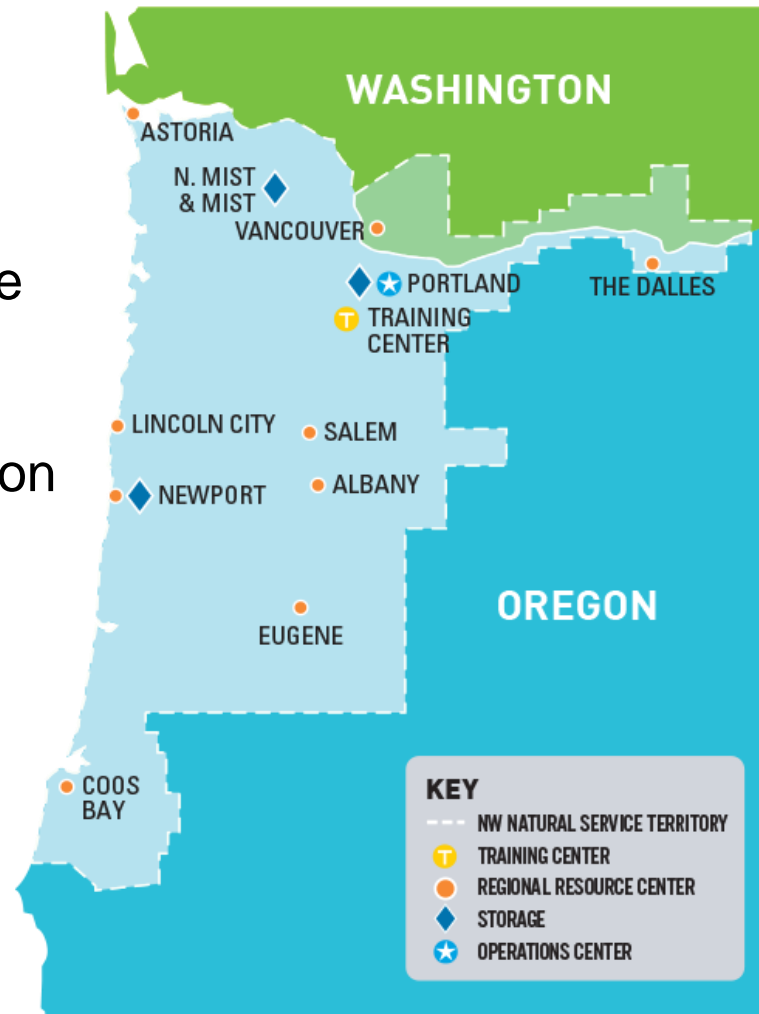
BRODY J. WILSON • Vice President, Treasurer, Chief Accounting Officer, and Controller

Mr. Wilson is currently NW Natural Holding' Vice President and Treasurer effective October 2018 and NW Natural's Vice President and Treasurer effective May 2017 in addition to his duties as Chief Accounting Officer (2016) and Controller (2013). Prior to joining the Company in 2012, he was a Senior Manager in the Energy & Utility Group at PricewaterhouseCoopers LLP. Mr. Wilson holds a Bachelor of Science in Accounting from George Fox University and is a CPA in Oregon.

INTRODUCTION

NW NATURAL AT A GLANCE

- 2.5 million people served
- Over 795,000 connections
- 14,000 miles of modern pipeline
- \$4.6 billion in assets
- Growing service territory in Oregon & Southwest Washington



NW NATURAL CORPORATE STRATEGY

GAS UTILITY OVERVIEW

- Nearly 165 years of service in our communities
- Largest stand-alone local distribution company in the Pacific Northwest
- Serve 2.5 million people in more than 140 communities through over 795,000 meters in Oregon and southwest Washington
- Consistently recognized for high-quality customer service by J.D. Power
- One of the safest, most modern distribution systems in the country



CONSERVATIVE STRATEGY

Stable gas and water utility margins through progressive regulation

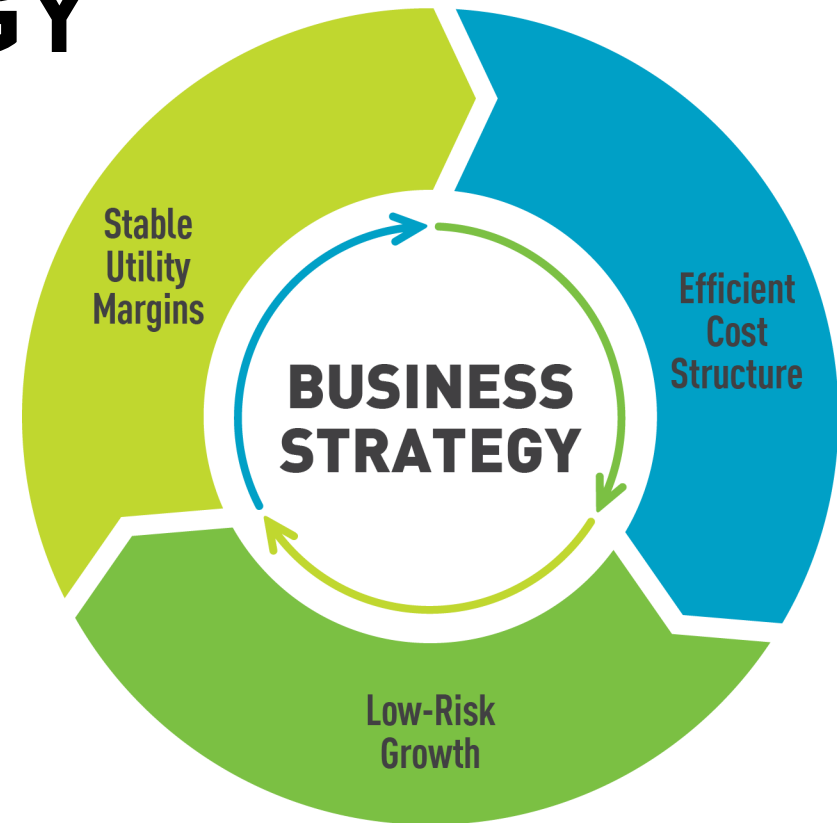
- Weather, decoupling and environmental cost recovery mechanisms as well as a renewable natural gas automatic adjustment clause in Oregon
- Constructive relationships with regulators and customer groups benefit both gas utility

Excellent operations and efficient cost structure

- Commitment to safety, reliability, and high-quality service
- Continued focus on efficient business operations

Long-term growth opportunities that fit NWN's profile

- Strong cap-ex profile with attractive service territory
- Focused on decarbonizing energy through investment and procurement of renewable natural gas for the utility



ESG LANDSCAPE & ACHIEVEMENTS

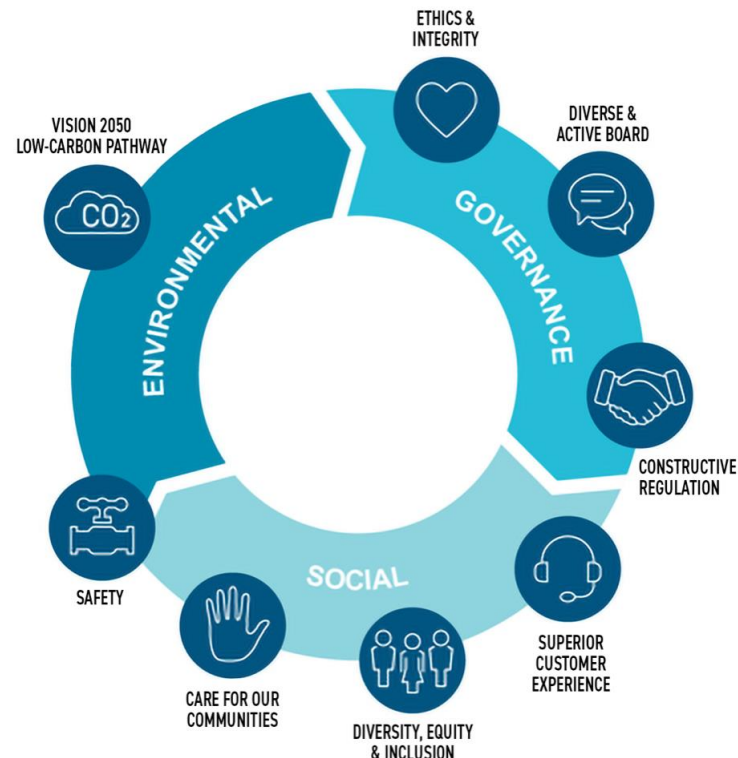
Published ESG Report with disclosures in alignment with SASB and including components of TCFD

Environmental

- On track to meet or exceed carbon savings goal of 30% by 2035¹
- Saved over 463,000 metric tons of carbon in 2021, equivalent to taking nearly 100,000 cars off the road
- Our vision forward is being a provider of carbon neutral energy by 2050

Safety

- No cast iron or bare steel pipe in natural gas system, making our system one of the most modern and tightest in the nation
- Performed transmission pipeline inspections at about 2.5x the rate required in 2022
- Installed excess flow valves (EFVs) on 39% of our services lines by the end of 2021. Latest industry average is approx. 24%



Governance

- Maintained well-qualified, diverse, independent and active Board with appropriate business & risk oversight
- Board refreshment resulted in 60% of the independent directors added in the last five years through 2021
- Board of directors includes 25% of members that are ethnically & racially diverse, 42% women and a woman chair
- 100% of active NW Natural employees participated in ethics and compliance training in 2022
- NW Natural Holdings' (the parent company of NW Natural) honored as one of the 2022 and 2023 World's Most Ethical Companies®³

Customers & Employees

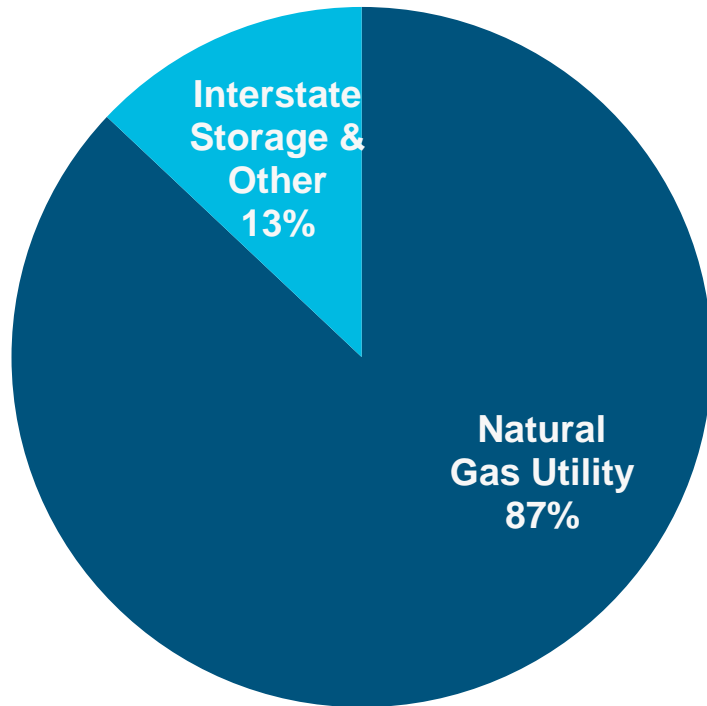
- Ranked #2 in the West for residential customer service²
- Donated \$1.7 million and 2,640 employee volunteer hours to nonprofits in our communities in 2021
- Made progress on diversity goals – 28% of our workforce are women and 20% are ethnically and racially diverse in 2021

Full report at nwnatural.com/about-us/the-company/sustainability

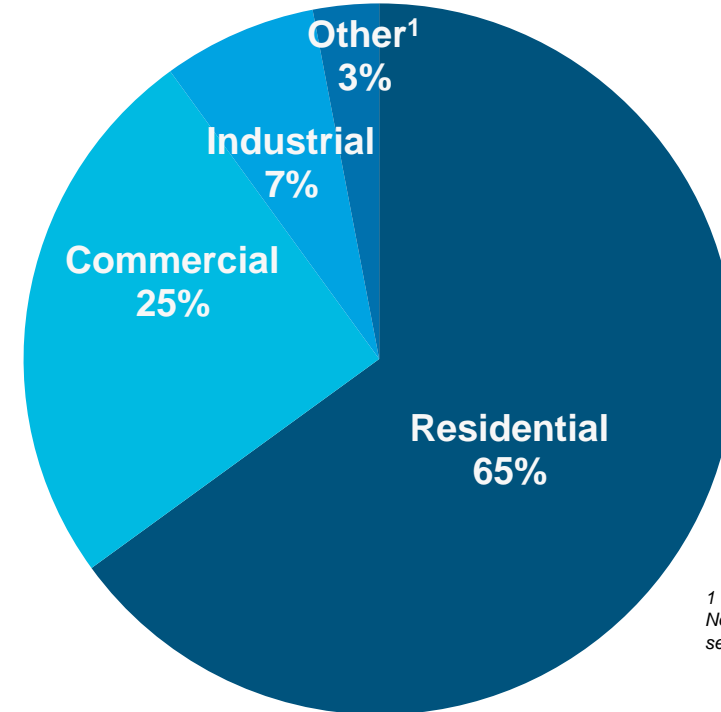


HIGHLY REGULATED

2022 Net Income
NW Natural Gas Company



Favorable Customer Mix
2022 Natural Gas Utility Margin



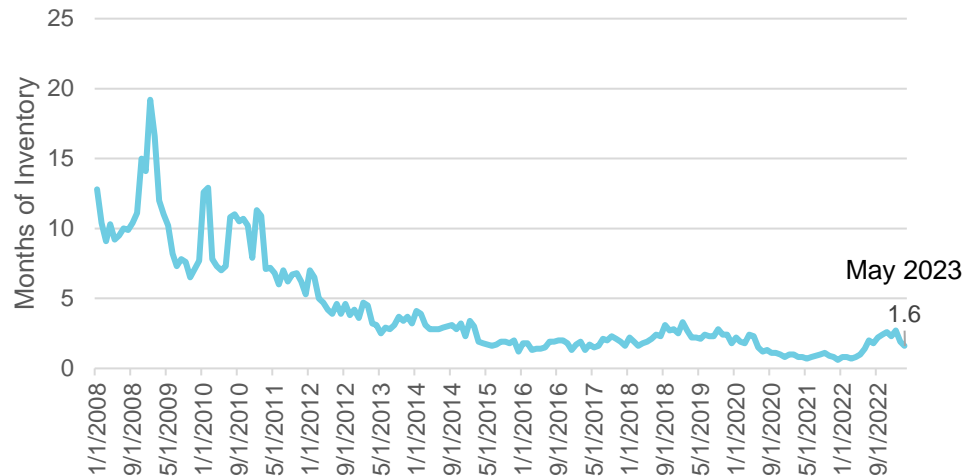
¹ Other is primarily margin from North Mist regulated gas storage services

NATURAL GAS UTILITY

RESILIENT BUSINESS MODEL

Tight Residential Real Estate Market Leads to Fewer Losses

Housing Inventory through March 2023



RMLS Data for Portland Metro

~80% of Natural Gas Utility Margin is Decoupled

	% of Volumes	% of Margin	% of Margin Decoupled
Residential	38%	65%	93%
Commercial	23%	25%	78%
Industrial	39%	7%	0%
Other	N/A	3%	N/A
Total	100%	100%	81%

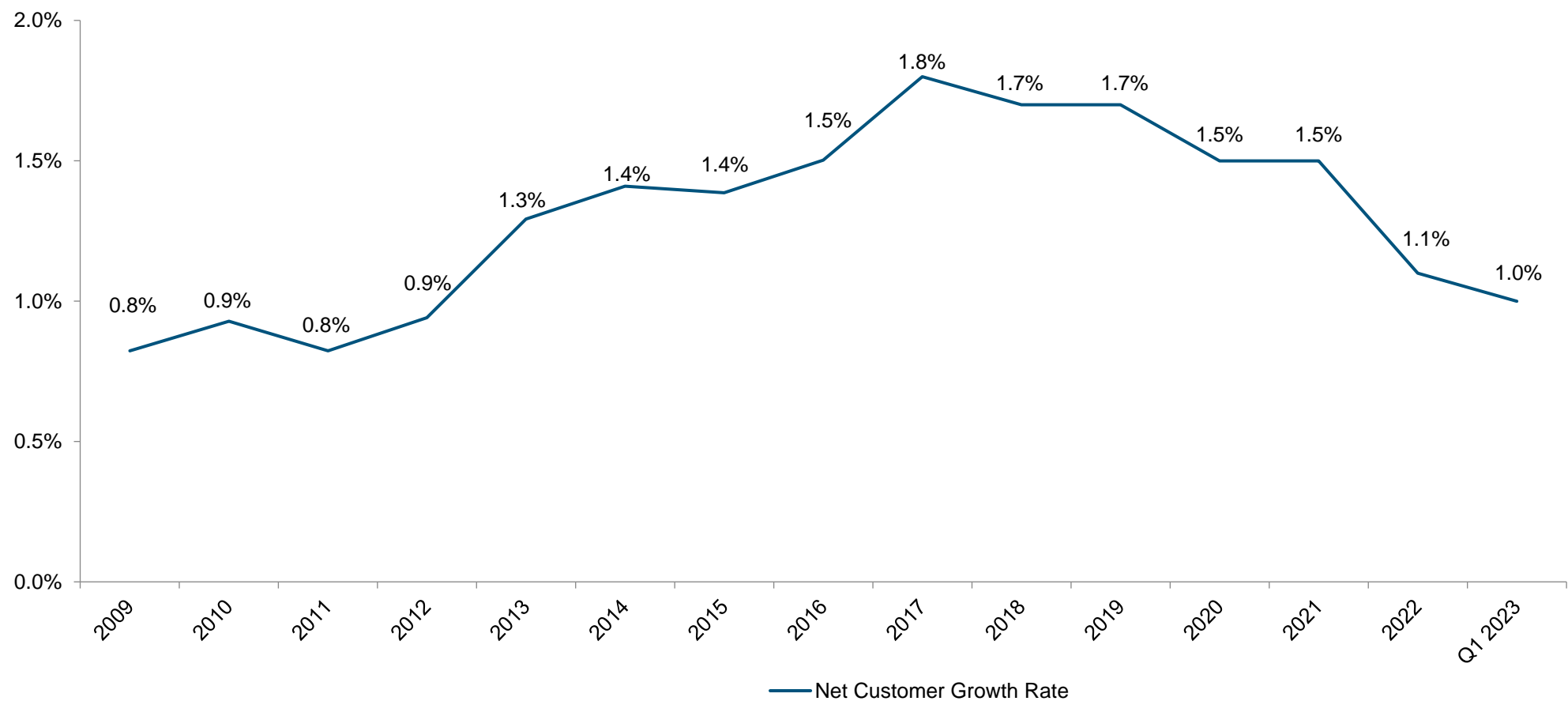
Based on 2022 SEC financials

~70% of Gas Utility Margin Earned during Heating Season

	Q1	Q2	Q3	Q4
Sales Volumes (weather normalized)	40%	18%	10%	32%
Utility Margin	35%	19%	12%	34%
Net Income	70%	0%	-29%	59%

Based on 2022 SEC financials

CUSTOMER GROWTH



INVESTING IN THE GAS SYSTEM

Customer growth

- New construction & conversions
- Main extensions

Safety & Reliability

- Recurring replacements
- Enhanced system reliability to support growth

Technology

- Cybersecurity
- Efficiencies and upgrades
- Customer information system

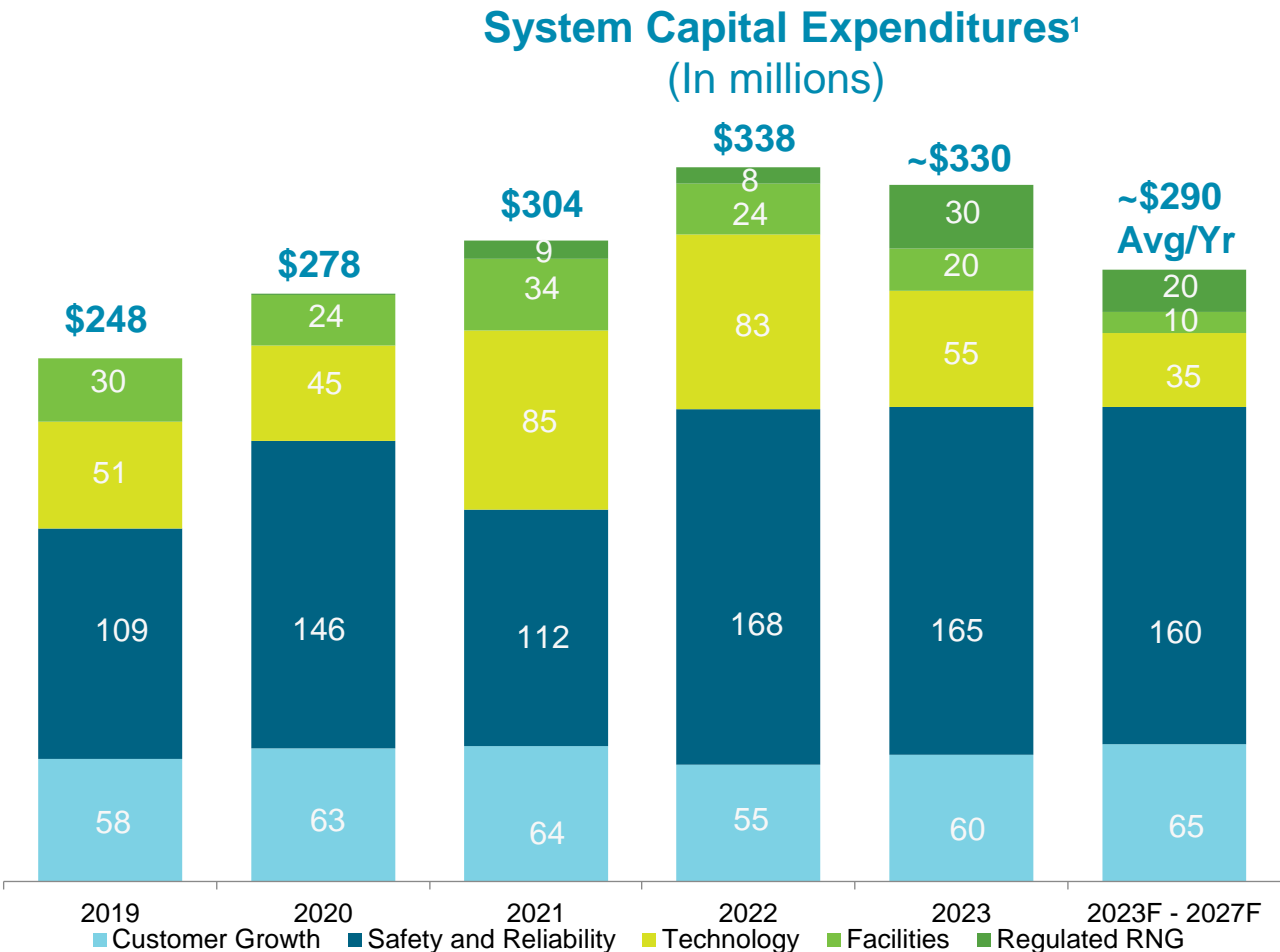
Facilities

- Resource and operations center renovations

Renewable Natural Gas (RNG)

- Planned investments for gas utility under Senate Bill 98

The timing and amount of the capital expenditures and projects for 2023 or additional investments in our infrastructure during or after 2023 could change based on customer growth, significant changes in prevailing regulatory policies or outcomes, or significant local, state or federal laws, legislation or regulations, or cost estimates. Required funds for the investments are expected to be internally generated or financed with long-term debt or equity, as appropriate.



¹ Chart is based on accrual cap-ex figures and includes cloud-based software



PROGRESSIVE REGULATION

	OREGON	WASHINGTON
KEY DEFERRALS RECOVERING:		
COVID	✓	✓ ¹
ERP System Upgrade	✓	✓
TSA Cybersecurity	✓	✓ ¹
KEY MECHANISMS:		
Decoupling/WARM	✓	
Purchased Gas Adjustment	✓	✓
Environmental Cost	✓	✓
Incentive Sharing ²	✓	✓
RNG Automatic Adjustment Clause	✓	
RATE CASE TEST YEAR		
	Forward	Multiyear ³
CURRENT RATE STRUCTURES:		
ROE	9.4%	Not determined
ROR	6.836%	6.814%
Equity Ratio	50%	Not determined
2022 Rate Base ⁴	\$1.7B	\$0.2B

- 1 In Washington, NW Natural is currently recovering the ERP System Upgrade deferral. The COVID and TSA Cybersecurity recovery is expected to be determined through a future rate case proceeding.
- 2 In Oregon, NW Natural shares PGA gains and losses
- 3 In 2019, SB 5116 was passed granting the WUTC authority to incorporate costs and capital up to 48 months after the rate effective date. In 2021, SB 5295 was passed requiring multiyear general rate plans that include performance-based measures.
- 4 Rate base is a 13-month average ending 12/31/22. Oregon rate base includes gas reserves and North Mist gas storage facility

SUPPORTIVE MECHANISMS

OREGON Decoupling

- Breaks link between earnings and consumption by removing incentive to increase usage
- Employs use-per-customer decoupling calculation, which adjusts margin revenues to account for the difference between actual and expected customer volumes

OREGON Weather Normalization (WARM)

- Stabilizes collection of fixed costs for residential and commercial customers
- Adjusts billings based on temperature variances compared to average weather
- Applied from December through mid-May of each heating season

OREGON • WASHINGTON Purchased Gas Adjustment (PGA)

- Adjusts annual rates to reflect changes in expected cost of gas commodity purchases
- Includes spot purchases, contract supplies, derivatives, storage inventories, and for Oregon gas reserves
- Includes temporary rate adjustments amortizing deferred regulatory account balances

OREGON • WASHINGTON Environmental Cost Recovery

- Recovers environmental costs for sites attributable to each state at a rate of 96.68% in Oregon and 3.32% in Washington
- Costs are subject to an annual prudence review in both Oregon and Washington, and in Oregon an earnings test¹
- Allows for deferral of environmental costs in both Oregon and Washington, and in Oregon the accrual of carrying costs

OREGON RNG Automatic Cost Recovery

- Allows renewable natural gas project costs to be added to rates annually on November 1st
- Provides for a mechanism for NW Natural to defer the difference between forecasted and actual RNG costs
- Costs are subject to an earnings test that includes deadbands at 50 basis points below and above NW Natural's authorized ROE

¹ To the extent the utility earns more than its authorized ROE in Oregon in a year, the utility is required to cover environmental expenses and interest on expenses greater than \$10 million (plus interest from insurance proceeds) with those earnings that exceed its authorized ROE

WASHINGTON 2021 RATE CASE

- **Order received October 21, 2021** – Multi-party settlement approved by the WUTC. New rates were effective Nov. 1, 2021 with the second year effective Nov. 1, 2022
- **Request Based on System Investments** – Multiyear rate case to recover investments and costs for:
 - System resiliency & reliability
 - Headquarter leasehold improvements & rent costs
 - Vancouver, Washington service center upgrades
 - Consumer-focused technology investments

	2021 - 2022 RATE CASE			
	Year 1		Year 2	
	Request	Order	Request	Order
ROR	6.913%	6.814%	6.913%	6.814%
Rate Base	\$225.9M	\$225.9M	\$247.3M	\$247.3M
Revenue Requirement	+\$6.3M	+\$5.0M	+\$3.2M	Up to +\$3.0M ¹

¹ Year 2 is subject to prudence filing and full review

OREGON 2022 RATE CASE

- **Order received October 24, 2022** – Multi-party settlements approved by the OPUC. New rates were effective Nov. 1, 2022
- **Case based on system improvements** – based on continued system investment primarily related to:
 - Resiliency & reliability
 - Technology including enterprise resource planning system and cybersecurity projects
 - Resource center facility renovations

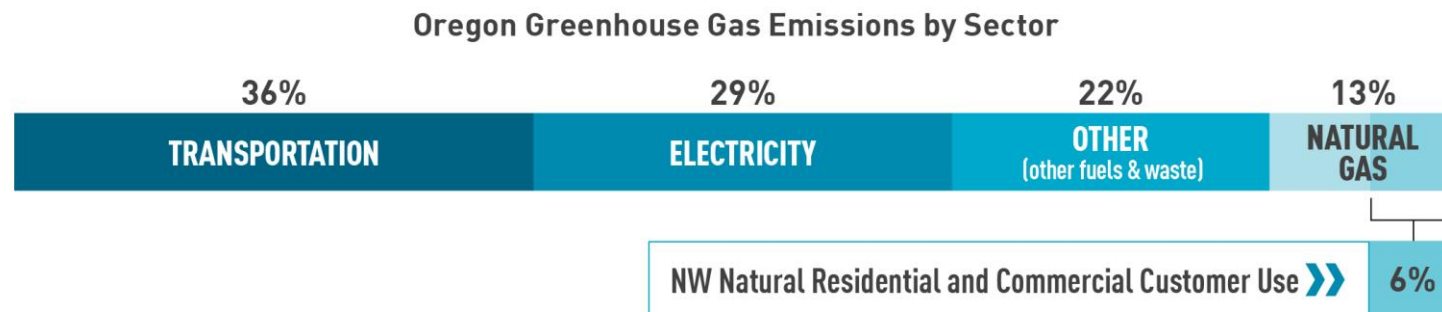
	2020 RATE CASE	2022 RATE CASE	
	Settled	Total Request	Order
ROE	9.4%	9.5%	9.4%
ROR	6.965%	6.886%	6.836%
Equity/ LT Debt	50 / 50	50 / 50	50 / 50
Rate Base	\$1.44B	\$1.78B	\$1.76B
Revenue Requirement	+\$45.1M	+\$78.0M	+\$59.4M

ENVIRONMENTAL STEWARDSHIP

ROLE OF OUR SYSTEM TODAY

NW Natural's System

- Delivers 50% more energy than any other utility in Oregon
- Heats roughly 75% of residential square footage in the areas we serve
- Provides 90% of energy needs for our residential space and water heat customers on the coldest winter days
- One of the tightest, newest systems in the country
- Our residential and commercial customers' emissions account for just 6% of Oregon's total carbon emissions

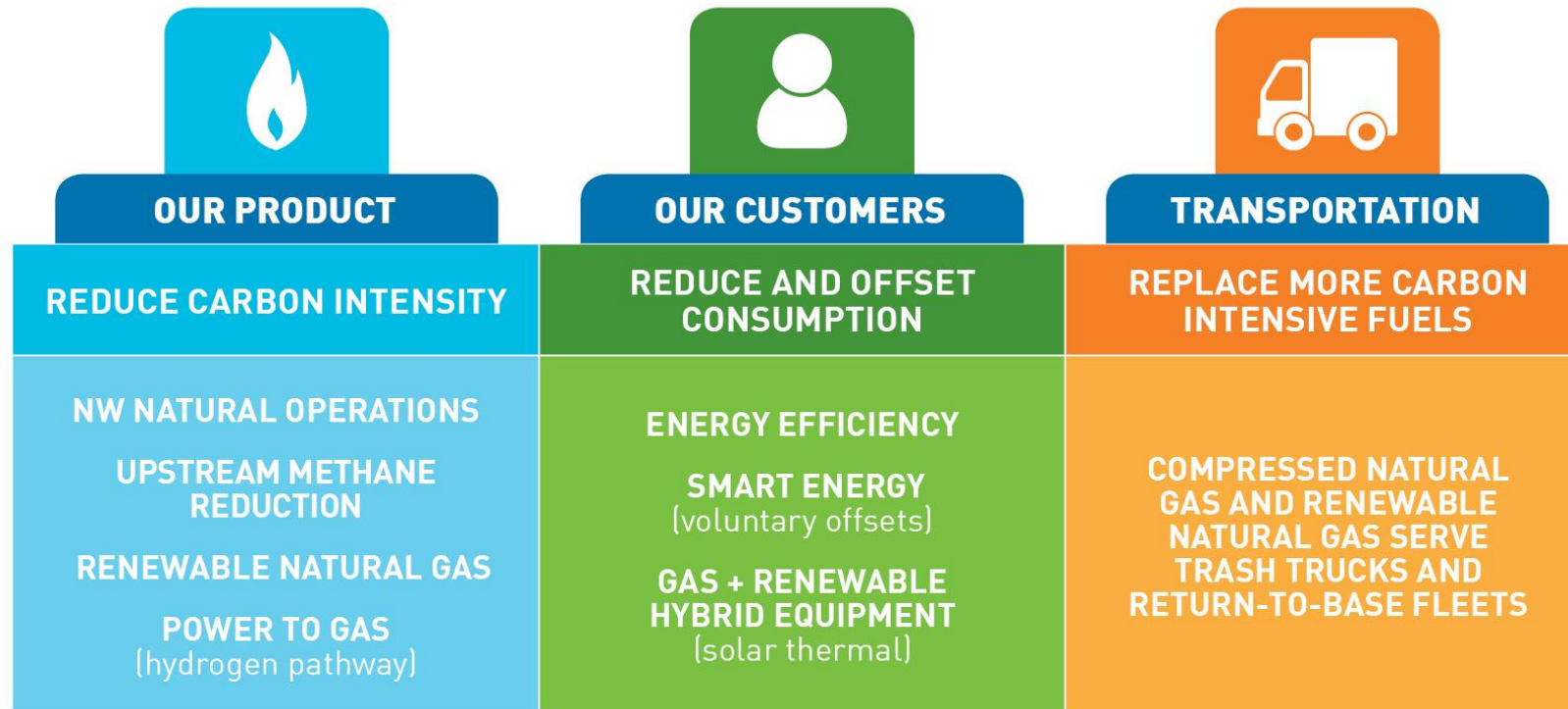


Source: Oregon DEQ In-Boundary GHG Inventory 2019 data

OUR LOW-CARBON PATHWAY

VOLUNTARY GOAL: 30% CARBON SAVINGS BY 2035

Goal established in 2016



Baseline: 2015 emissions associated with customer use & company operations

ON TRACK TO MEET OR EXCEED GOAL

Our voluntary carbon savings goal of 30% by 2035 includes emissions from our own operations and the gas use by our sales customers

2021: Ahead of Target Savings Rate

463,137 metric tons of carbon dioxide equivalent saved.

This marks 36% of savings toward goal, ahead of target pace.

2021 Source of Savings Mix

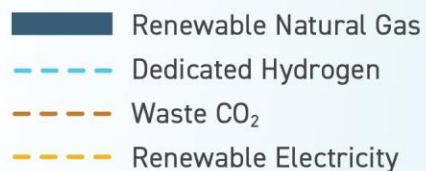


Destination Zero:

Our Vision of Carbon Neutrality

A decarbonized network:

- Deep energy efficiency
- Renewable natural gas
- Renewable hydrogen
 - ✓ Blended
 - ✓ Methanated
 - ✓ Dedicated



DESTINATION ZERO ANALYSIS

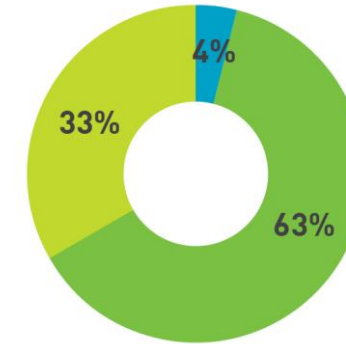
- The next evolution in our thinking is an in-depth analysis, using a variety of assumptions, to illustrate possible scenarios to achieve carbon neutrality for energy provided by 2050
- Our analysis draws on proven approaches to serve existing and new customers as well as developments of policy support and continued evolution of technology
- Each of the three scenarios we explored incorporates varying applications of the following:
 - ✓ Enhanced energy efficiency,
 - ✓ Declining amounts of verified offsets, and
 - ✓ Lower carbon fuels such as RNG and hydrogen (along with small amounts of carbon capture)
- We expect our analysis and thinking to continue to evolve, but our goal remains to be a provider of net neutral energy by 2050

2050 POSSIBLE SCENARIOS

Percentage of GHG savings by source

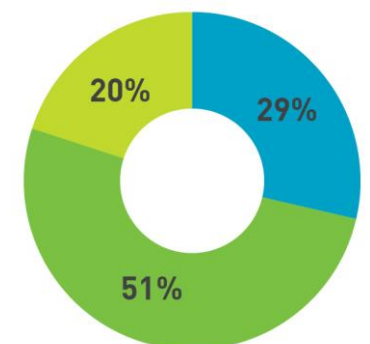
Balanced

Balanced mix of renewable supply and demand-side measures with no offsets in 2050



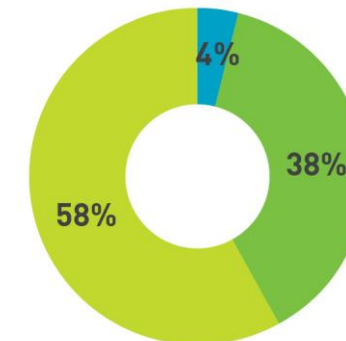
Moderate Offset

Offsets in conjunction with mix of renewable supply and demand-side measures



RNG Constrained

Less RNG and no offsets in 2050 with emphasis on demand side measures and clean hydrogen



● % carbon capture/offsets cancelling out fossil emissions

● % that is renewable natural gas

● % that is clean hydrogen

RNG PROJECTS ACROSS NORTH AMERICA



As of March 20, 2023

GROUNDDBREAKING RNG BILL

- Oregon law (SB 98) supports gas utilities purchasing renewable natural gas (RNG). Passed in 2019 and rulemaking completed in July 2020
- Creates another path for RNG to become an increasing part of Oregon's energy supply
- Allows natural gas utilities to acquire RNG and hydrogen
- Sets voluntary RNG portfolio targets for Oregon's natural gas utilities
- Allows up to 5% of a utility's annual revenue requirement to be used to cover the incremental cost of RNG
- Allows for investments related to RNG infrastructure, including production facilities, cleaning and conditioning equipment, and pipeline interconnections
- Potential revenue source for communities to turn their waste into energy

Oregon Senate Bill 98
supports voluntary
volumetric
RNG targets:

2025	2030	2035	2040	2045
10%	15%	20%	25%	30%

GAS UTILITY RNG CONTRACTS TO DATE

Procurement

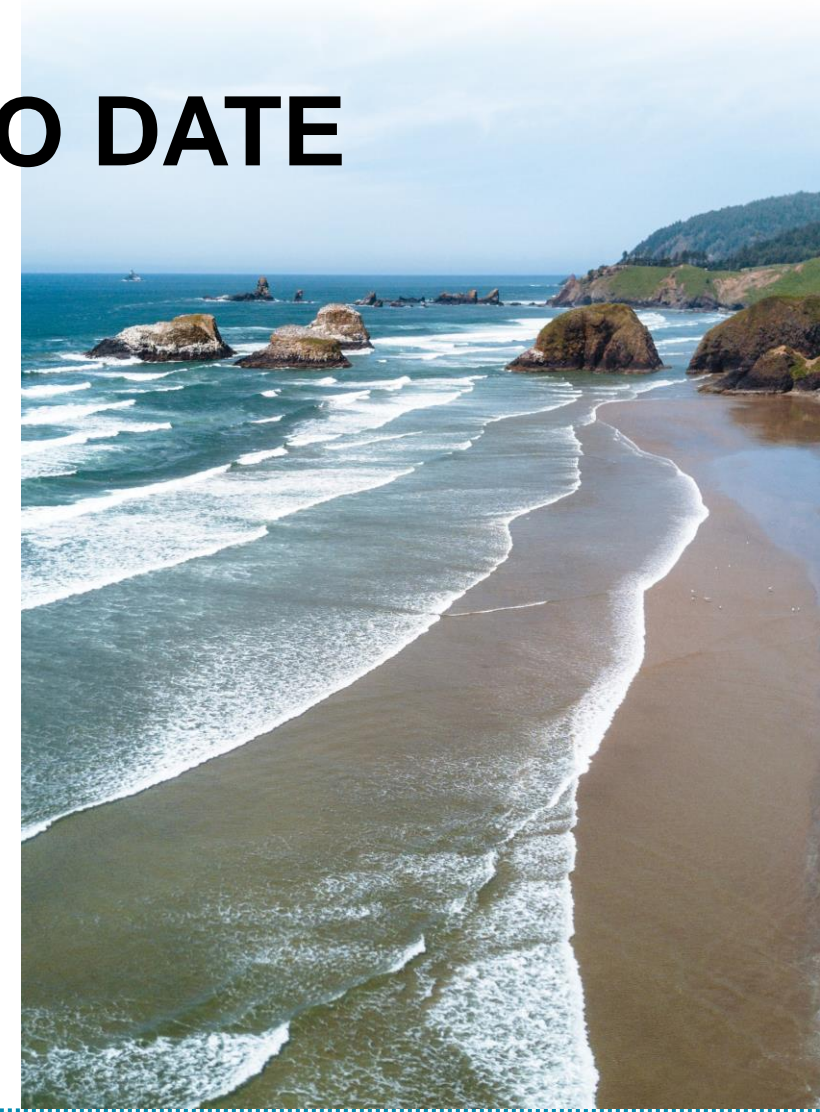
(Pass-through Cost)

- **Anew LLC (formerly Element Markets)** – 0.7 million MMBtu from 2021 - 2023
- **Archaea** – up to 1 million MMBtu of RNG annually for a fixed fee for a period of 21 years beginning in 2022
- **BP Products North America** – 0.4 million MMBtu over a five-year period beginning in 2022

Investments

(Rate Base)

- Partnership with Tyson & BioCarbN** totaling up to \$38 million of investment
- **Lexington Facility** – \$8M facility that commenced operation in Jan. 2022
 - **Dakota City Facility** – \$12M facility that commenced operations in April 2023
 - Options for two additional facilities totaling ~\$18M



To date, we've signed agreements with options to purchase or develop RNG totaling the equivalent of about 3% of our current Oregon supply

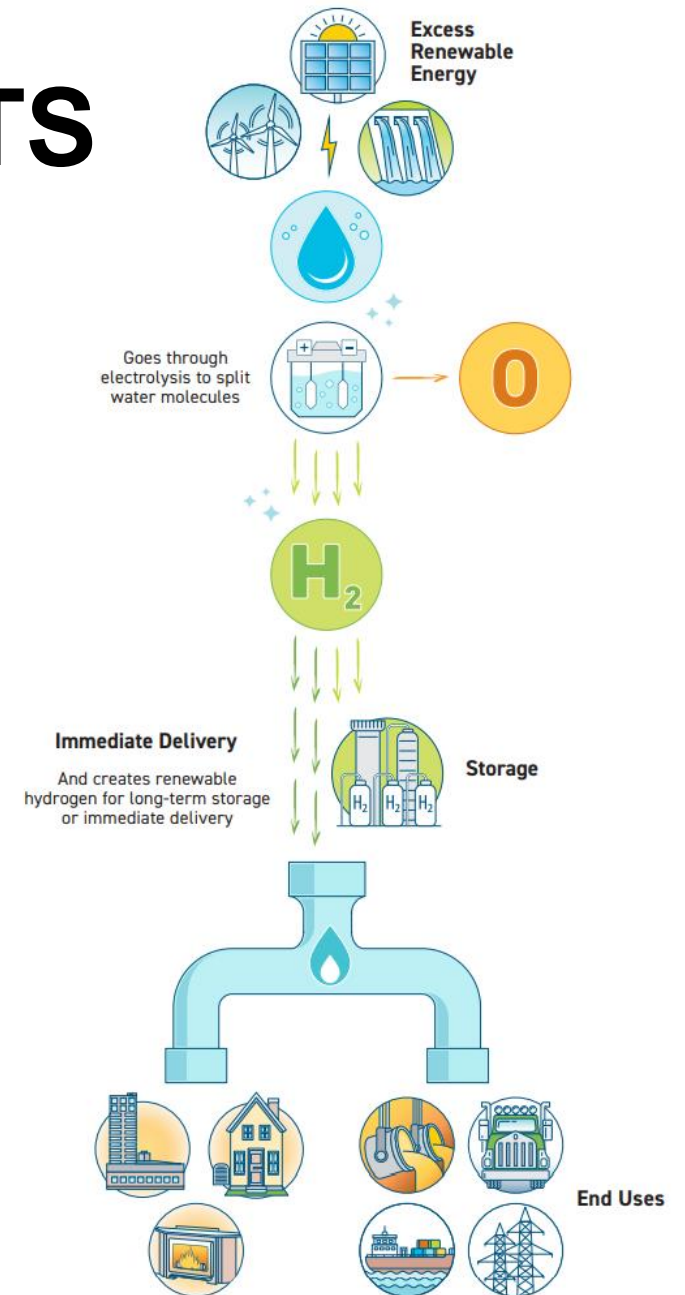
HYDROGEN & CCUS PROJECTS

NW Natural Initiatives

Hydrogen Blend Testing – testing of 15% completed, with a 20% blend goal by 2024, if learnings allow, at NW Natural’s state-of-the-art training facility

Turquoise Hydrogen Pilot Project – partnering with Modern Electron in an effort to turn methane into clean hydrogen and solid carbon. We expect the pilot to go live in 2023

Carbon Capture, Use & Storage (CCUS) – working with a few commercial customers on a pilot using CARBiNX equipment. This equipment captures carbon from existing boilers to reduce both energy use and greenhouse gas emissions



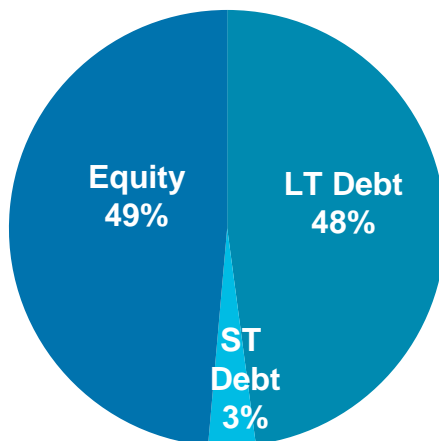
FINANCIALS

STRONG LIQUIDITY

NW Natural

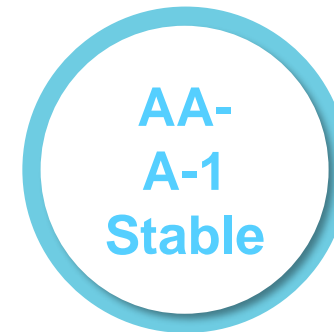
- \$400 million credit facility
- Expires in 2026
- Extension for two additional one-year periods
- Access to capital markets
- Solid credit ratings¹

NW Natural Debt to Cap Ratio
(as of March 31, 2023)²

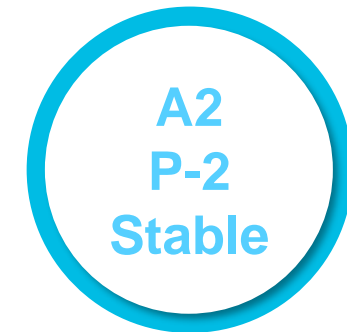


NW Natural Credit Ratings⁽¹⁾

S&P Global



MOODY'S



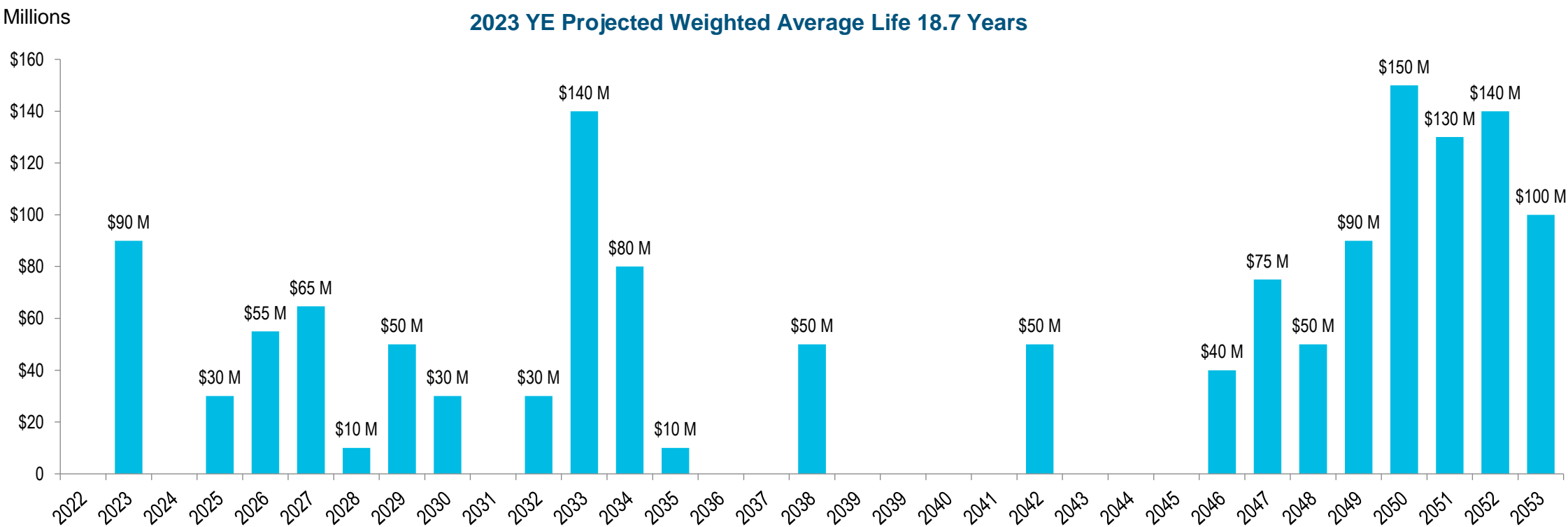
- 1 The above credit ratings are dependent upon a number of factors, both qualitative and quantitative, and are subject to change at any time. The disclosure of these credit ratings is not a recommendation to buy, sell or hold NW Holdings securities. AA- and A2 are secured debt ratings and A-1 and P-2 are commercial paper ratings
- 2 Short-term debt includes current long-term debt maturities

NW NATURAL DEBT PORTFOLIO

First Mortgage Bond Maturity Schedule

2023 YE Projected Embedded Weighted Average Cost – 4.672%

2023 YE Projected Weighted Average Life 18.7 Years



- Interest rate impact mitigated by predominately fixed-rate debt
- Manageable debt repayment schedule with no significant maturities in any particular year
- Liquidity at the gas utility (NW Natural) available through 2026 with \$400 million credit facility

CONCLUSION

INVESTMENT THESIS

Stable and growing utility margins driven by the following targets over the next five years including:

- Gas utility customer growth averaging 1.1%
- Gas utility cap-ex \$1.3 – \$1.5 billion with rate base growth of 5% – 7%¹

Excellent operations and efficient cost structure

- Commitment to safety, reliability, and high-quality service
- Continued focus on efficient business operations

Long-term growth opportunities

- Strong cap-ex profile with attractive service territory
- Focused on decarbonizing energy through investment and procurement of renewable natural gas for the utility

¹ Rate base growth forecasted for period 2022 - 2027



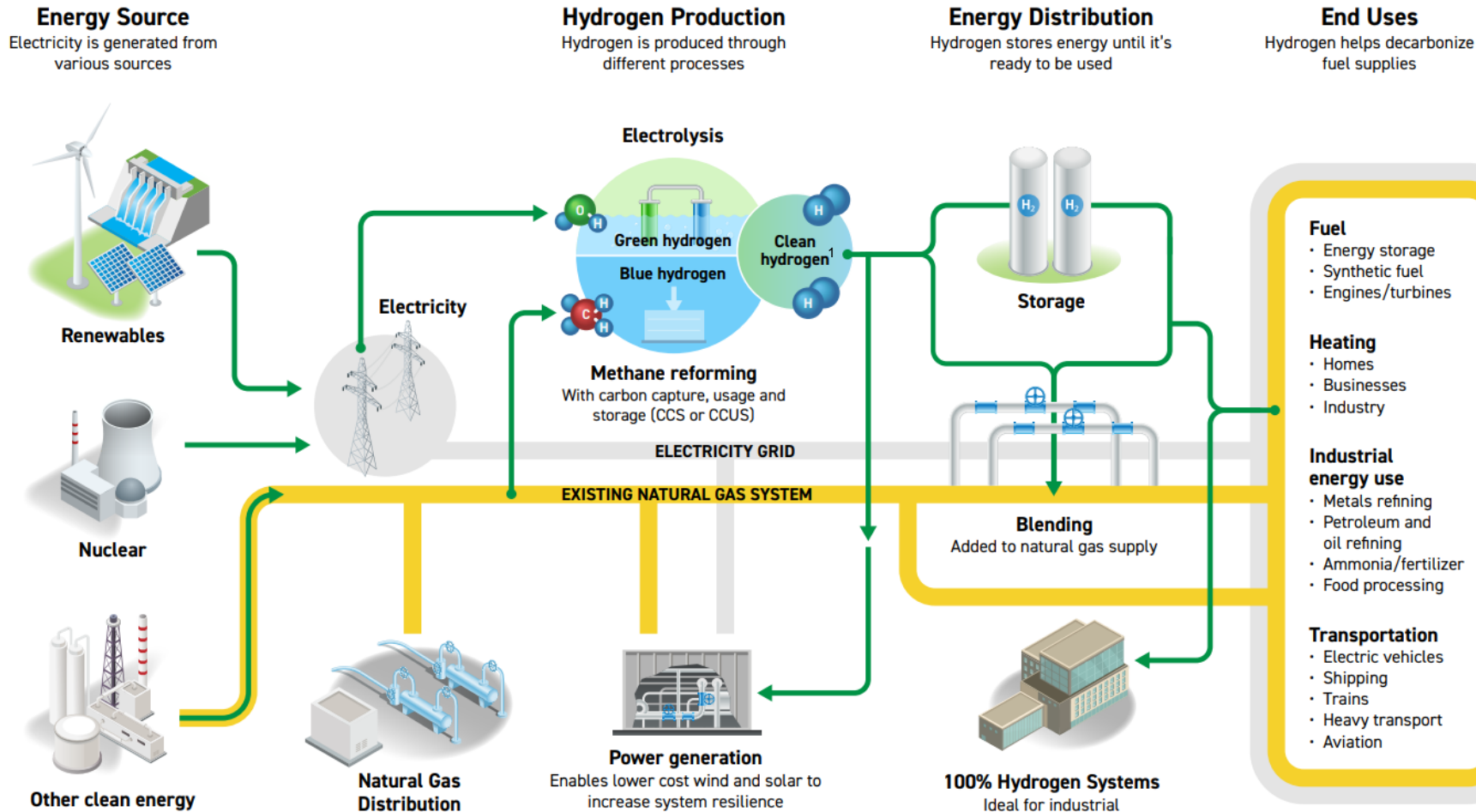
Stable and Growing Return Proposition

APPENDIX

RNG PROCESS

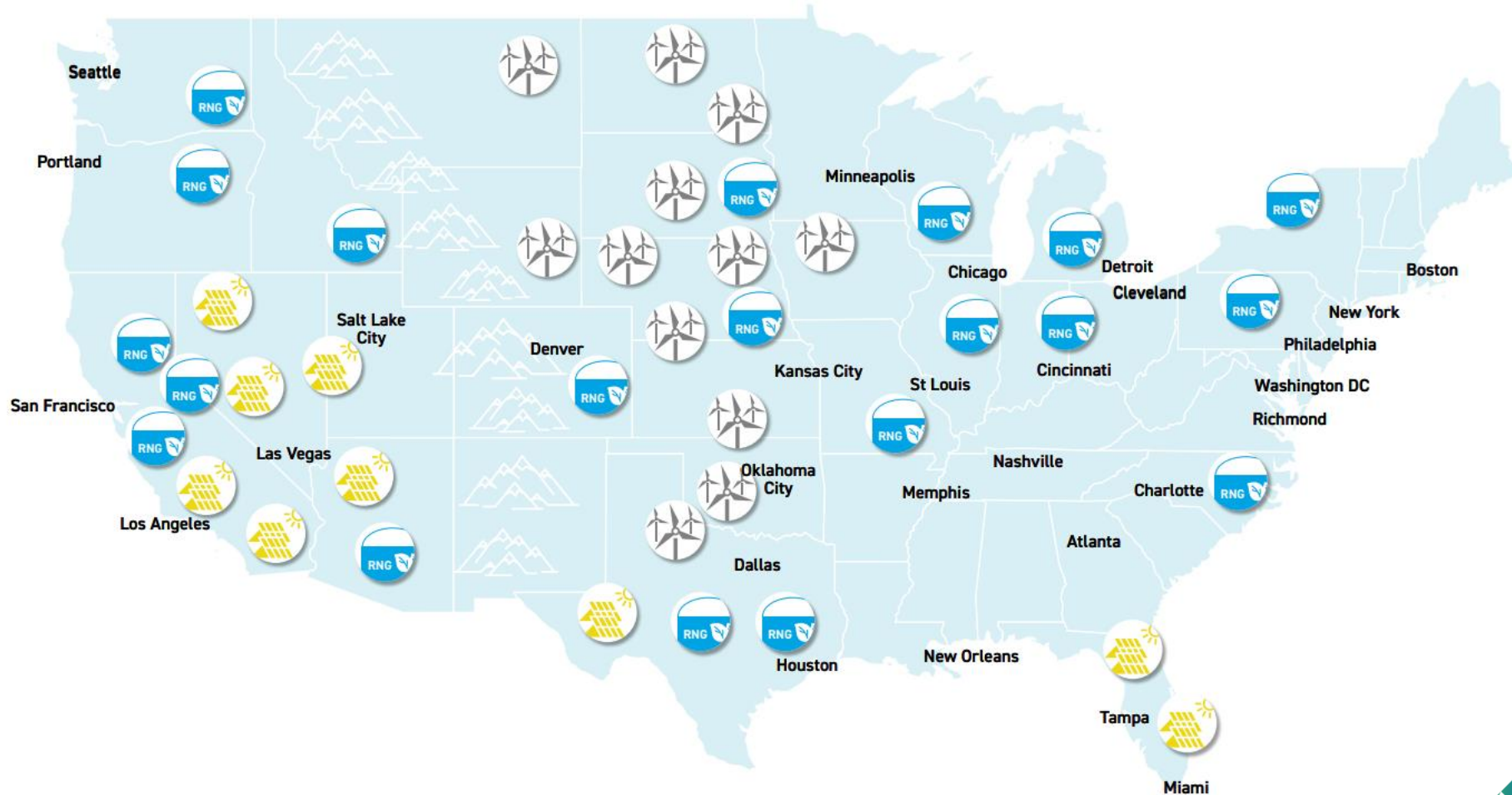


HYDROGEN PROCESS



¹ Clean hydrogen is defined in the federal Inflation Reduction Act as having an emissions profile of 4kgCO₂e/kgH₂ or less.

RENEWABLES ARE NATIONALLY INTEGRATED



CURRENT UTILITY COMMISSIONERS

		OREGON COMMISSION (OPUC)	WASHINGTON COMMISSION (WUTC)
Chair		Megan Decker (D) <ul style="list-style-type: none">• Appointed April 2017• Term ends March 2025	David Danner (D) <ul style="list-style-type: none">• Appointed chair Feb 2013• Term ends Jan 2025
		Letha Tawney (D) <ul style="list-style-type: none">• Appointed May 2018• Term ends May 2024 Mark Thompson (R) <ul style="list-style-type: none">• Appointed Dec 2019• Term ends Nov 2023	Ann Rendahl (D) <ul style="list-style-type: none">• Appointed Dec 2014• Term ends Jan 2027 Milton Doumit (R) <ul style="list-style-type: none">• Appointed Sept 2022• Term ends Jan 2029

DIVERSE RESOURCE PORTFOLIO

Gas Supply

- 60% supply from Canada
- 40% supply from the Rockies
- Natural gas serves territory through one bi-directional pipeline

LNG Peaking Facilities

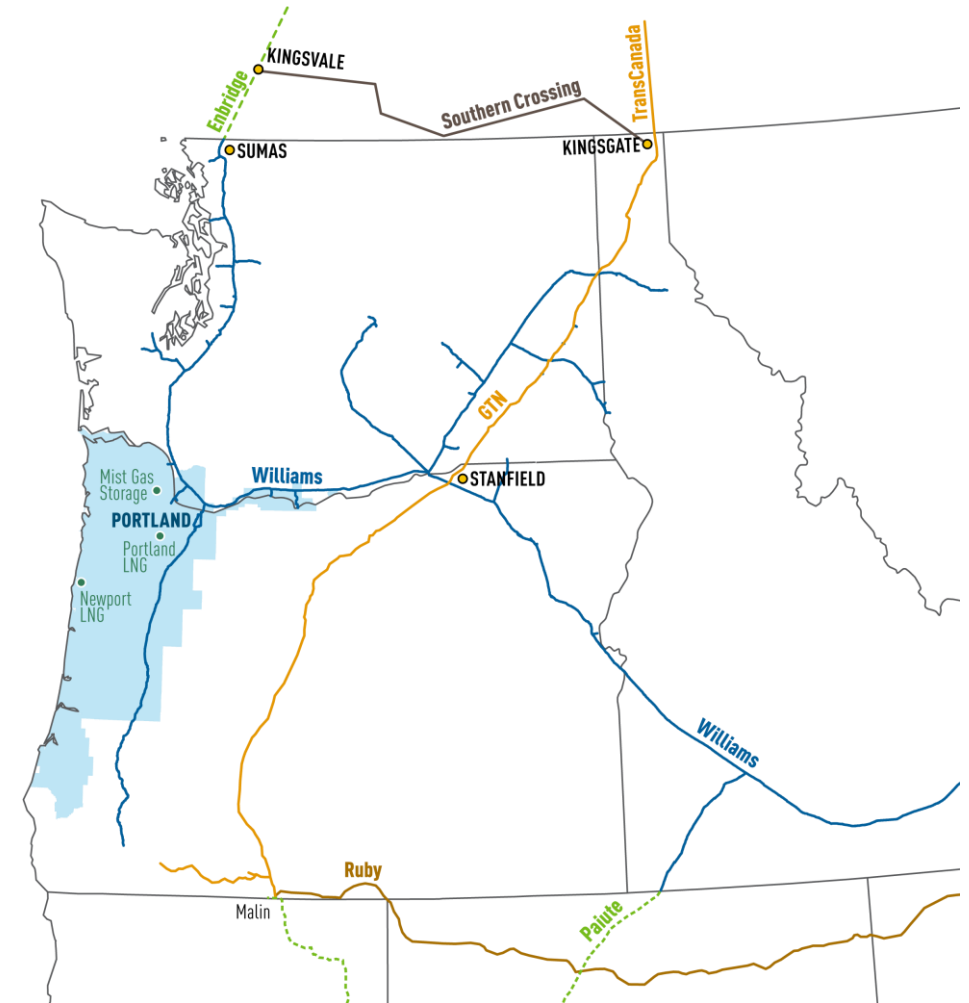
- Portland LNG – 0.6 Bcf
- Newport LNG – 1.0 Bcf

Mist Gas Storage Facility

- Valuable asset – limited storage in the Pacific Northwest
- 17.5 Bcf facility with 11.7 Bcf serving utility customers and 5.8 Bcf primarily under long-term contracts
- Utility can recall 5.8 Bcf to support customer demand

North Mist Storage Expansion

- 4.1 Bcf expansion serves a single customer under long-term contract



MIST STORAGE FACILITY

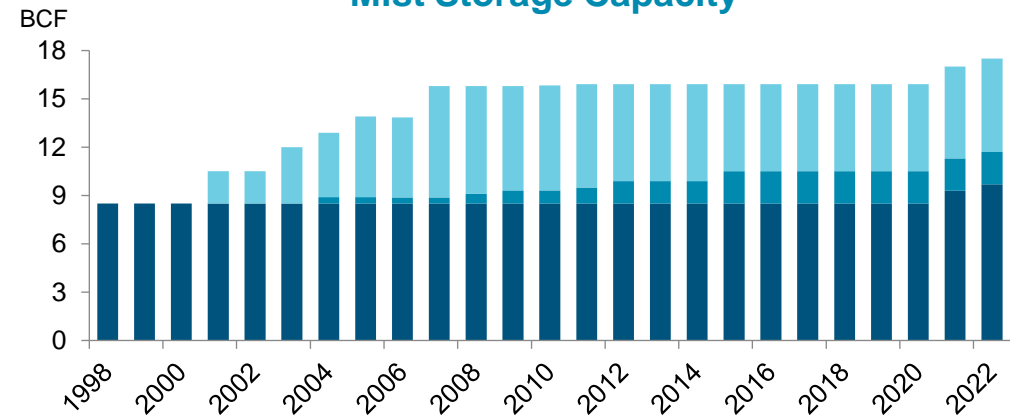
Overview

- In operation since 1989
- Storage capacity at Mist 17.5 Bcf
 - 11.7 Bcf Core Utility
 - 5.8 Bcf Interstate Storage Services

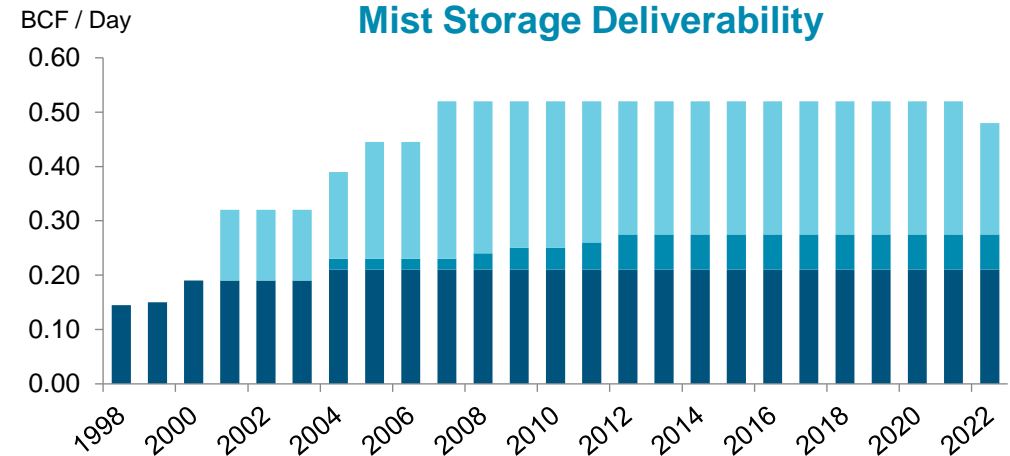
Unique, Valuable Asset

- Limited storage options in Pacific Northwest
- Part of utility's diverse, reliable gas supply strategy
- Utility can recall Interstate portion for Core Utility demand
- Optimize and share revenues with utility customers
- 5.8 Bcf under high-value contracts with the majority long-term

Mist Storage Capacity



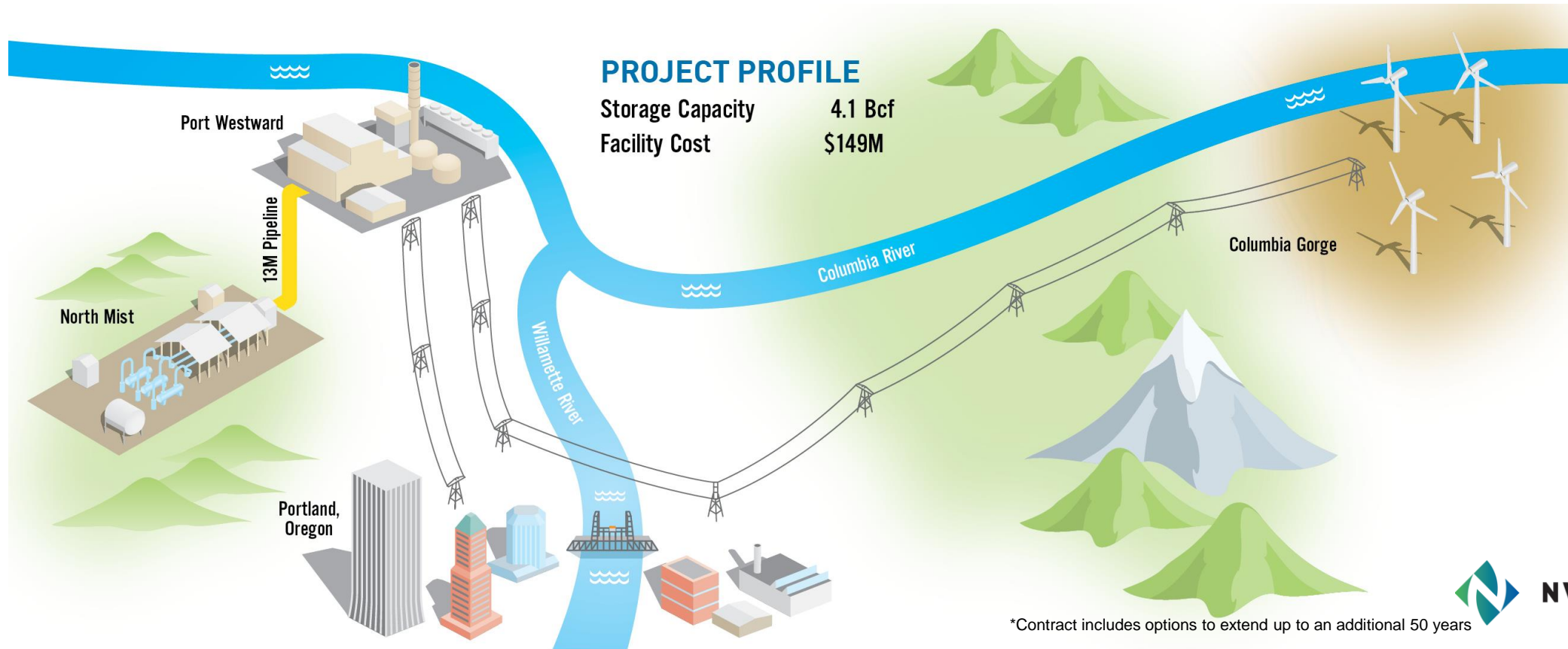
Mist Storage Deliverability



■ Utility ■ Utility Recall ■ Interstate

NORTH MIST FACILITY

- Unique no-notice 24/7 storage service supporting gas-fired electric generating facilities that are integrating wind into energy generation mix
- \$149 million investment was immediately included in rate base once placed into service in May 2019
- Contracted under 30-year agreement with single-customer (Portland General Electric)*



The background of the entire image is a vibrant blue sky filled with soft, white, wispy clouds. The clouds are scattered across the frame, with some appearing more dense and others more delicate. The overall tone is bright and optimistic.

Meeting the Moment

DECARBONIZE. DIVERSIFY. DELIVER.